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ED/EC M-218

January 14, 1957

EXECUTIVE COMMITTEE OF THE
ECONOMIC DEFENSE ADVISORY COMMITTEE

MINUTES

10:00 a.m. Friday, January 11, 1957
Room 1213 Maiatico

Attendance

MDAC

Mr. Hale, Chairman
Mr. Kramer, Executive Secretary
Mrs. Lese, Committee Secretary

Defense

Col. Green

ICA

Mr. J. Tucker

CIA

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State

Mr. Wright

Commerce

Mr. George

Treasury

Mr. Pollak

Agenda

1. Assignment to Executive Committee.

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SECRET

-2-

1. Assignment to Executive Committee

Decision

The members agreed to work from the draft distributed at the meeting and to make revisions necessary to reflect the current and foreseeable circumstances; that a revised policy statement, when completed, would be transmitted to the CFEP by EDAC with a memorandum explaining and justifying the changes reflected between NSC 152/3 and the new document.

Discussion

The Chairman briefly summarized the events which had taken place since the Executive Committee meeting of January 8. He noted that the meeting had adjourned with the agreement that the EC members would consult with their EDAC principals on the several proposals which were given consideration at that meeting. In response to his request for the members to inform him of their agencies' reactions to the proposed courses of action, he said the Commerce member had notified him that his agency wanted to complete EDAC D-121/4a and that the memorandum which he had distributed at the January 8 meeting was germane to that work. The Defense member had stated that his agency believed the most expeditious and satisfactory course of action to meet the new short deadline was to update the 1955 revision of NSC 152/3. The ICA member had expressed views of a similar nature. The State member had agreed that was a reasonable course of action. The Treasury Department was not concerned with the method or form used, their primary concern was with the substance and they indicated they would accept any approach to the job selected by the majority. CIA expressed readiness to support any approach decided upon.

The Chairman observed that the consensus of the agencies indicated that a revision of NSC 152/3 was the preferred course of action. At the EDAC Chairman's suggestion, made only with the intent to guide, the EC Chairman together with the State and Defense members met on January 10 to study a paper prepared by the CFEP Staff in 1955, (CFEP 501/6, Enclosure #4), derived from the Steering Group Report to the CFEP, and he had at hand a new draft based on the CFEP Staff paper which he presented for the members' consideration. The Chairman explained that the draft outlined a few new thoughts and ideas which the three members had deemed appropriate. The courses of action shown in the draft paper had been edited by the Defense member but are very much as they were in the original paper. He said the proponents of the paper were in agreement that revisions of the paragraphs which apply to China would have to be made after comments have been received from other governments as a result of the bilaterals. He pointed out that no changes had been made in the portion dealing with the China question; the statements dealing with that problem had been retained intact. The paper, he said, did not constitute a desirable policy statement. It is merely a skeleton which, it is hoped, will prove to be the best form in which to present the recommended policy. When the

SECRET

SECRET

-3-

paper is completed, a covering memorandum to the CFEP will be prepared identifying and explaining the changes from previous policy (NSC 152/3 and portions of 5427/5). With regard to a suggestion made by the Treasury member that a comparative chart be drawn up, it was agreed that it would be desirable to write a memorandum of transmittal which explains and justifies in clear language what we are proposing. The Chairman felt that while the EC members are focusing attention on the transmittal document, a sub-group might be assigned the job of compiling a comparative chart for use if called for but not necessarily to be made a part of the material to be forwarded to the CFEP.

Distribution:

ED List Parts I and II

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